

Message Text

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S E C R E T SECTION 1 OF 2 HONG KONG 4205

EO 11652: GDS
TAGS: PGEN, HK, US
SUBJECT: 1980 GOALS/OBJECTIVES AND RESOURCE MANAGEMENT
(GORM) STATEMENT

REFS: (A) STATE 634771 (B) 77 STATE 223323 (C) 77 HONG KONG 11351

1. FOR US TO GORM EFFECTIVELY, WE NEED A STATEMENT OF AGREED GOALS AND OBJECTIVES BY WHICH TO JUDGE OUR RESOURCE MANAGEMENT REQUIREMENTS AND THE IMPACT OF THE VARIOUS DECISION PACKAGES. DESPITE EXCHANGES ON THE SUBJECT (REFS B AND C), THE DEPARTMENT HAS NOT YET PROVIDED US WITH AN APPROVED VERSION OF GOALS AND OBJECTIVES FOR HONG KONG. ADDITIONALLY, SINCE THE SUBMISSION OF THE POST'S COMMENTS (REF C) ON THE DRAFT STATEMENT PROVIDED IN REF B, I HAVE HAD AN OPPORTUNITY TO REVIEW THE SUGGESTED GOALS AND OBJECTIVES AND AFTER CONSULTATION WITH MEMBERS OF THE COUNTRY TEAM WOULD LIKE TO RECOMMEND CERTAIN ADDITIONS AND REFINEMENTS. UNLESS THE DEPARTMENT HAS OBJECTIONS, I PROPOSE THAT THE FOLLOWING REVISED STATEMENT OF GOALS AND OBJECTIVES BE APPROVED FOR THIS POST AND ITS USE IN THE GORM EXERCISE. WE HAVE PROVIDED AN EXPLANATORY DISCUSSION FOR THESE GOALS AND OBJECTIVES. ADDITIONALLY SPECIFIC COURSES OF ACTION HAVE BEEN DE-

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VELOPED FOR EACH OBJECTIVE, AND WE WILL SUBMIT THESE IF THEY WOULD BE OF INTEREST TO THE DEPARTMENT.

2. GOALS AND OBJECTIVES FOR HONG KONG

I. IMPROVE THE COLLECTION AND ANALYSIS OF INFORMATION ON POLITICAL, ECONOMIC AND MILITARY DEVELOPEMENTS

IN THE PRC AND INDOCHINA.

-- DISCUSSION:

OPPORTUNITIES FOR CONTACT WITH OFFICIAL AND SEMI-OFFICIAL PRC REPRESENTATIVES IN HONG KONG ARE INCREASING AS THE PRC STEPS UP ITS EXPORT PROMOTION, TECHNOLOGY ACQUISITION AND UNITED FRONT ACTIVITIES. THESE CADRE ARE GENERALLY WELL-BRIEFED ON DEVELOPMENTS IN THE PRC, AND SOME ARE MORE AT LIBERTY TO DISCUSS THEM THAN OFFICIALS INSIDE THE PRC. OTHER SOURCES OF INFORMATION AND INTERPRETATION ARE THE DIPLOMATS, JOURNALISTS, SCHOLARS, BUSINESSMEN AND BRITISH OFFICIALS COMPRISING HONG KONG'S TILL SIZEABLE "CHINA-WATCHING" AND ITS SMALL BUT GROWING "INDOCHINA-WATCHING" COMMUNITIES. THE CONSULATE GENERAL'S EXTENSIVE CHINA FILES AND ITS CHINESE ANALYSTS PROVIDE A UNIQUE COMBINATION OF INSIGHTS AND INSTITUTIONAL MEMORY FOR INTERPRETING INFORMATION IN THE PRC'S NATIONAL AND PROVINCIAL MEDIA, AS WELL AS INFORMATION OBTAINED FROM LOCAL CONTACTS.

II. INCREASE U.S. INDUSTRIAL AND AGRICULTURAL EXPORTS TO AND SHARE OF THE MARKET IN HONG KONG.

-- DISCUSSION:

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THE HONG KONG MARKET IS AMONG THE MOST OPEN IN THE WORLD. AT THE SAME TIME IT IS HIGHLY SELECTIVE AND LIMITED IN ABSORPTIVE CAPACITY. AS SUCH, IT OFFERS MANY OPPORTUNITIES FOR CAREFULLY FOCUSED U.S. EXPORT PROMOTION INITIATIVES. DURING THE COMING YEAR EMPHASIS WILL BE PLACED ON IDENTIFYING AND EXPLOITING OPPORTUNITIES FOR DISCRETE MEASURABLE PROMOTIONS. THIS WILL INCLUDE A MARKET IDENTIFICATION EFFORT DIRECTED AT DETERMINING THE SPECIFIC MARKET SEGMENTS WHICH OFFER GOOD POTENTIAL FOR INCREMENTAL SALES OF U.S. GOODS AND SERVICES.

III. IN ADDITION TO SUPPORTING THE LOCAL AND REGIONAL OPERATIONS OF HONG KONG-BASED U.S. FIRMS, ENCOURAGE AND ASSIST AMERICAN FIRMS IN THEIR EFFORT TO OBTAIN ACCESS TO THE PRC MARKET.

-- DISCUSSION:

A LARGE NUMBER OF U.S. FIRMS IN HONG KONG ARE REGIONALLY ORIENTED AND HAVE SIGNIFICANT MARKETING AND INDUSTRIAL ACTIVITIES THROUGHOUT THE ASIAN-PACIFIC

AREA. EXPANSION OF SUCH ACTIVITIES WOULD SERVE U.S. ECONOMIC INTERESTS AND DEMONSTRATE OUR CONTINUED ACTIVE INVOLVEMENT IN THE REGION. ECONOMIC DEVELOPMENT POLICIES REVEALED PRIOR TO AND DURING THE NATIONAL PEOPLE CONGRESS CONFIRM THAT THE PRC INTEND TO EXPAND FOREIGN TRADE AND ENCOURAGE THE INTRODUCTION OF NEW AND ADVANCED TECHNOLOGY FROM THE MAJOR INDUSTRIAL NATIONS. THE UNITED STATES IS NOT LIKELY TO BE EXCLUDED FROM THIS DEVELOPMENT, ALTHOUGH THE DEGREE OF OUR PARTICIPATION PROBABLY WILL CONTINUE TO BE LOWER THAN THAT OF COUNTRIES WITH WHICH CHINA HAS FULL DIPLOMATIC RELATIONS. THE PRESENCE OF A LARGE BUSINESS COMMUNITY WITH AN ACTIVE INTEREST IN TRADE WITH CHINA MAKES HONG KONG A PRIMARY SECRET

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SOURCE OF INFORMATION ON TRENDS IN PRC COMMERCIAL AND INDUSTRIAL INTERESTS. ADDITIONALLY, OPPORTUNITIES FOR DIRECT CONTACT IN HONG KONG BETWEEN PRC OFFICIALS AND REPRESENTATIVES OF U.S. FIRMS HAVE BEEN STEADILY EXPANDING.

IV. USE THE U.S. PRESENCE IN HONG KONG AS A MEANS OF FAVORABLY INFLUENCING THE PRC PERCEPTION OF U.S. POLICIES AND SOCIETY. IN THIS CONTEXT, ASSIST USLO PEKING IN TAKING CARE OF THE INCREASING PRC DEMAND FOR PUBLICATIONS AND OTHER MATERIALS ON ENGLISH TEACHING AND ON U.S. SCIENCE AND TECHNOLOGY.

-- DISCUSSION:

PROBABLY REFLECTING PEKING'S MORE OPEN ATTITUDE TOWARD THE OUTSIDE WORLD, PRC REPRESENTATIVES IN HONG KONG APPEAR MORE RECEPTIVE TO CONTACTS WITH AMERICANS, BOTH OFFICIAL AND UNOFFICIAL, AND TO INFORMATION CONCERNING THE UNITED STATES. ALTHOUGH AT PRESENT THEIR PRIMARY INTEREST APPEARS TO BE IN THE FIELDS OF COMMERCE AND INDUSTRY, TOGETHER WITH SCIENCE AND TECHNOLOGY, THERE MAY BE OPPORTUNITIES FOR EXPOSURE TO INFORMATION ON U.S. FOREIGN POLICY, SOCIETY AND CULTURE. EFFORTS TO EXPLOIT SUCH OPPORTUNITIES CAN COMPLEMENT THOSE IN SUPPORT OF USLO PEKING IN RESPONDING TO INCREASED RECEPTIVITY WITHIN THE PRC TO ENGLISH TEACHING AND SCIENTIFIC AND TECHNOLOGICAL MATERIALS.

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S E C R E T SECTION 2 OF 2 HONG KONG 4205

V. CURTAIL HONG KONG'S REMAINING ROLE IN THE
ILLICIT NARCOTICS TRADE, PRIMARILY BY WORKING
AGAINST THE ORGANIZATIONAL AND FINANCIAL CAPABILI-
TIES HONG KONG PROVIDES FOR THIS TRADE.

-- DISCUSSION:

THERE IS REASON TO BELIEVE THAT FINANCES FOR AND
PROCEEDS FROM NARCOTICS TRAFFICKING FLOW FREELY
IN AND OUT OF HONG KONG. HONG KONG ALSO IS
PROBABLY AN IMPORTANT OPERATIONAL BASE FOR TRAFFICKERS
WHO MAINTAIN STRONG TIES WITH CONFEDERATES IN SOURCE
COUNTRIES. THERE ARE CLEAR INDICATIONS THAT NEGOTIA-
TIONS ARE INITIATED IN HONG KONG ON THE BASIS OF
WHICH TRAFFICKERS PROCEED TO SOURCE COUNTRIES TO
ACCEPT DELIVERIES FOR DISTRIBUTION IN UNITED STATES
AND EUROPE. THE IDENTIFICATION OF SUCH OPERATIONS
SHOULD SERVE TO CURTAIL THE USE OF HONG KONG AS
A BASE AND ASSIST IN OUR EFFORTS TO IMPEDE NARCOTICS
TRAFFICKING ELSEWHERE IN THE REGION.

VI. FACILITATE EXPANDED ACCESS TO HONG KONG FOR
U.S. NAVAL SHIPS AS A DEMONSTRATION OF THE CONTINUED
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U.S. MILITARY PRESENCE IN ASIA AND FOR LIBERTY AND
SUPPORT PURPOSES.

-- DISCUSSION:

WITH THE REDUCED LEVEL OF U.S. MILITARY PRESENCE IN ASIA, VISITS OF U.S. WARSHIPS TO HONG KONG TAKE ON AN INCREASED IMPORTANCE AS A VISIBLE AND TANGIBLE DEMONSTRATION TO FRIENDS AND POTENTIAL ADVERSARIES ALIKE OF U.S. RESOLVE TO MAINTAIN A CREDIBLE MILITARY CAPABILITY IN THE REGION. FURTHERMORE, HONG KONG REMAINS A MAJOR PORT-OF-CALL FOR SHIPS OF THE U.S. SEVENTH FLEET FOR LIBERTY AND SUPPORT. INCREASED ACCESS, PARTICULARLY FOR NUCLEAR POWERED WARSHIPS (NPW), BECOMES MORE IMPORTANT AS ADDITIONAL NPWS JOIN THE FLEET. BY MID-1979 THE NUMBER OF NPWS IN THE PACIFIC FLEET WILL EXCEED THE NUMBER CURRENTLY PERMITTED BY EXISTING GUIDELINES TO VISIT HONG KONG EACH YEAR.

VII. CONTINUE STREAMLINING PROCEDURES TO COPE WITH THE HEAVY CONSULAR WORKLOAD WHILE IMPROVING THE DETECTION OF FRAUDULENT ENTRY SCHEMES AND MALAFIDE APPLICANTS.

-- DISCUSSION:

THE CONSULAR CASE LOAD IS EXPECTED TO CONTINUE TO INCREASE, PARTICULARLY IF THE PRC ADOPTS A MORE LENIENT POLICY TOWARD FAMILY REUNIFICATION. IN ADDITION, THERE CAN BE NO DOUBT THAT HONG KONG CONTINUES TO CONTRIBUTE TO THE PROBLEM OF UNDOCUMENTED ALIENS IN THE UNITED STATES. OVER A PERIOD OF TIME, HONG KONG-BASED SYNDICATES HAVE BEEN ENGAGED IN SUPPLYING COUNTERFEIT NON-IMMIGRANT VISAS,

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PASSPORTS, FRAUDULENT DOCUMENTATION ATTESTING TO EMPLOYMENT, AND OTHERWISE ASSISTING UNQUALIFIED CHINESE ALIENS IN ENTERING THE U.S. IN VIOLATION OF THE LAW. EFFORTS BY THE CONSULAR SECTION AND INS OFFICE HAVE MADE INROADS INTO THIS PROBLEM, BUT MORE INTENSIFIED EFFORTS ARE REQUIRED.

VIII. MAINTAIN THE HONG KONG GOVERNMENT'S COOPERATION IN PROCESSING VIETNAMESE "BOAST CASES" AND PRC REFUGEES FOR CONDITIONAL ENTRY INTO THE U.S. COORDINATE WITH THE REGION AND DEPARTMENT IN DEALING WITH THE INDOCHINA REFUGEE FLOW.

--DISCUSSION:

HONG KONG IS THE ONLY AREA IN ASIA DESIGNATED BY INS REGULATIONS FOR PROCESSING REFUGEES UNDER THE CONDITIONAL ENTRY PROVISIONS OF THE IMMIGRATION AND NATIONALITY ACT, AS AMENDED. THIS PROGRAM WAS IMPLEMENTED ON NOVEMBER 3, 1970 FOR REFUGEES FROM THE PRC. DURING THE LATTER PART OF 1975 THIS PROGRAM WAS UTILIZED TO PROCESS INDOCHINESE

REFUGEES. SINCE THE FALL OF VIETNAM, THE CONDITIONAL
ENTRY PROGRAM HAS PERMITTED THE USG TO PROCESS INDO-
CHINESE REFUGEES DURING PERIODS WHEN PAROLE NUM-
BERS AUTHORIZED BY THE ATTORNEY GENERAL WERE EX-
HAUSTED.
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